

**THE METROHEALTH SYSTEM
BOARD OF TRUSTEES
FINANCE COMMITTEE
REGULAR MEETING MINUTES**

DATE: Tuesday, September 26, 2017

TIME: 2:00 – 3:00 p.m.

PLACE: MetroHealth Medical Center
K107, Business Services Building

COMMITTEE TRUSTEES: Mr. Monnolly, Mr. Schneider and Dr. Silvers

ADDITIONAL TRUSTEES: Ms. Dee and Mr. Spain

STAFF: B. Boulanger, A. Boutros, M.D., N. Chehade, M.D., G. Himes,
J. Kerkay, D. Lewis, M. Phillips, J. Platten, C. Richmond, M. Stern

GUESTS:

Dr. Silvers called the regular meeting of the Finance Committee to order at 2:10 p.m. Please note the minutes are written to conform to the printed agenda and are not necessarily in the order of discussion.

- I. The minutes of the regular meeting held on July 25, 2017 were approved as presented.

II. INFORMATION ITEMS

Craig Richmond, Senior Vice President and Chief Financial Officer provided an overview of the August 2017 Monthly Operating Performance Statistics and Ratios Summary. As many of these metrics are focused on the efficiency of the organization's operations, both Daniel Lewis, Executive Vice President and Chief Operating Officer and Bernard Boulanger, M.D, Executive Vice President and Chief Clinical Officer will present the results for the month and year-to-date. Geoff Himes, Vice President of Finance will present the organization's liquidity, capital structure and working capital ratios.

Dr. Boulanger provided an overview of the Utilization Metrics for the month ending August 30, 2017 and year-to-date. Comparing to the same period last year, overall inpatient discharges were down; however, both the Medicare and total case mix index (CMI) were significantly up due to patient acuity. Equivalent admissions had increased (adjusts for outpatient volumes), surgical volumes had a record month due to outpatient cases, and emergency department visits continue to show growth over prior. Dr. Boulanger concluded by highlighting that both Patient Experience and Quality metrics are within targets, and work relative value units (RVUs) increased which is a measurement of provider productivity.

Mr. Lewis provided an overview of the Access Metrics and discussed the slight increase in appointment lag time for both new and established patients, which will continue to be an area of focus as stated before. The percent of no-shows have remained consistent and has shown a slight improvement year-to-date. Lastly the Network Service Center (NSC) continues to demonstrate significant performance improvements within the Call Abandonment Rate and Service Level Percent from the prior years. Mr. Himes started with an overview of the Payor Mix, and stated that the

System has seen growth within the Medicare and Commercial mix. Mr. Richmond noted the System has seen an increase in uninsured patients during the month and year-to-date.

Mr. Himes proceeded with discussing the Liquidity Ratios and stated adjusted days cash on hand was down slightly due to timing. Within the Capital Structure Ratios, the adjusted debt service coverage improved due to strong operating performance, and the adjusted debt to Earnings before Interest, Depreciation and Amortization (EBIDA) increased from prior year due to our recent bond issuance. Mr. Himes concluded with a review of the Capital Ratios, and Expense and Revenue metrics.

Lastly, Mr. Richmond reported that Fitch Rating Agency issued an exposure draft detailing Fitch Ratings' criteria and proposed revisions for their rating of U.S. not-for-profit hospitals and health systems. MetroHealth was one of the credits identified and our rating was placed on Rating Watch Negative. The Rating Watch will be resolved following a full review of MetroHealth's rating within six months of the final publication and implementation of the Not-for-Profit Health Care Criteria.

III. NON-CONSENT/ACTION ITEMS

A. There are no items to report at this time.

IV. CONSENT ITEMS

A. A Recommendation for the Purchase of Certain Capital Equipment and Related Improvements

The Committee unanimously approved the recommendation for full Board action.

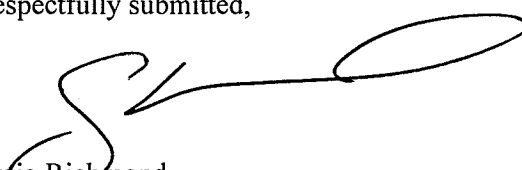
At this point in the meeting a motion was made, seconded and passed to move the Committee into Executive Session to discuss trade secrets and litigation matters. The Committee returned to regular session at 2:44 p.m.

B. A Recommendation to Approve Changes to the Hospital and Professional Charge Description Master (CDM) file

The Committee unanimously approved the recommendation for full Board action.

There being no further business to bring before the Committee, the meeting was adjourned at 2:47 p.m.

Respectfully submitted,



Craig Richmond
Senior Vice President and
Chief Financial Officer